



**QUARTERLY REPORT**  
**for the three months ending 31 March 2011**

**HIGHLIGHTS**

**SIHAYO PUNGKUT GOLD PROJECT, INDONESIA (75%)**

- As a result of infill and resource extension drilling at the Sihayo resource a new JORC compliant resource estimate was completed and stands at:  
**14.6Mt at 2.8g/t Au for 1,302,000 oz**
- 90% of the Sihayo resource is in the Indicated Category
- Resource tonnage has increased 53% and contained gold has increased 43% compared with the previous JORC compliant resource estimate released in July 2010
- Sihayo resource remains open to the north, east and south
- Total Sihayo – Sambung, JORC compliant resource estimate, stands at:  
**15.7Mt at 2.8g/t Au for 1,402,000 oz**
- Considerable work was completed during the Quarter on progressing the Definitive Feasibility Study (“DFS”)
- Regional exploration work continued throughout the Quarter with the recommencement of drilling at the Tambang Tinggi gold / copper prospect
- The complete Contract of Work (“COW”) airborne magnetic and radiometric survey was completed during the Quarter and final interpretation reports are due in May 2011

**CORPORATE**

- Company ended the March Quarter with AUD\$2.5 million in cash and is debt free
- Company received firm commitments for a capital raising of A\$15 million on 15 April 2011

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## REVIEW OF OPERATIONS

### 1. Sihayo Pungkut Gold Project, Sumatra (75%)

On the 21 March 2011, the Company announced the new upgraded JORC compliant resource estimate of **14.6Mt at 2.8g/t Au containing 1,302,000 ounces of gold** for the Sihayo resource within Sihayo Pungkut Gold Project in North Sumatra, Indonesia.

The new estimate is based on an extensive infill and resource extension drilling program completed between July 2010 and March 2011. The upgraded estimate for the Sihayo resource takes the total project JORC compliant resource, comprising Sihayo and Sambung, to **15.7Mt at 2.8g/t containing 1,402,000 ounces**.

The new resource estimate covers an area of approximately 1.4 km by 0.6km and is based on approximately 496 diamond drill holes which were drilled on a nominal 25 metre by 50 metre grid within the majority of the resource area with the more recent southern extension holes drilled on a nominal 50 metre by 50 metre grid. Please refer to Figure 1 below.

Table 1 below summarises significant results for drill holes SHDD458 to SHDD503, which were completed during the quarter and are included in the new JORC resource calculation.

The mineralisation at Sihayo is a silica (jasperoid) replacement style of mineralisation localized at lithological contacts, within a Permian limestone and marble sequence with interbedded volcanic and volcanoclastic units. Drilling has identified three primary sub horizontal gold zones; an upper zone at the Permian limestone/Tertiary sediment unconformable contact, a middle horizon at a marble/silty limestone interbed and a lower zone at a volcanic lava/silty limestone contact and a fourth zone of post surface weathering/oxidation of the primary lodes (regolith) occurring in modern karst environment.

The resource is exposed at surface at its northwestern end and extends to a depth of 200 metres along strike at its southeastern end. The resource is highly, but variably oxidized to depths of about 40 metres and there are variable levels of oxidation down to about approximately 150 metres depth.

Infill drilling within the area of the previous resource has confirmed the continuity of the regolith mineralisation in the north lode area and defining the lower mineralised zone. Step out and extension drilling in the southern area identified a third lower mineralised zone at the volcanic/ silty limestone contact. This lower zone accounts for the majority of the resource increase. A zone of higher grade mineralisation at the Tertiary/Permian contact has been intersected in the south eastern area that will be the subject on ongoing drilling.

The Sihayo and Sambung resources, depicted in Figure 1 below, are separated by about 1.25 km of potentially mineralised strike. Stratigraphy 0.75km to 1 km northwest of the Sihayo resource also yields gold mineralisation as defined by historic exploration. The combined strike length of this favorable stratigraphy is approximately 4.5 km. Mapping in these extension areas has located jasper outcrops, >0.1ppm semi continuous soil anomalies and limited drilling has previously returned results with >10 gram \* metres gold intersections.

The exploration drilling program for the next 3-6 months is designed to target favourable known horizons within the north and south extensions along strike from the Sihayo resource, primarily targeting shallow oxidized zones. The northern limit of the regolith mineralisation is not defined.

#### 1.1 Regional Exploration

Drilling re-commenced during the March Quarter at the Tambang Tinggi gold / copper prospect.

Phase one of the drilling program is targeting multiple near surface gold prospects and phase two of the proposed program will test for deeper potential gold / copper mineralisation.

The prospect covers an area of approximately **2.8km east to west** and **1.6km north to south**.

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In addition to the drilling activity at Tambang Tinggi, ongoing rock and soil sampling has continued at both Tambang Tinggi and at Hutabargot Julu, an epithermal gold prospect located approximately 7km southeast of the main Sihayo resource.

IP surveys are being completed at both Tambang Tinggi and Hutabargot Julu.

Refer to Figure 2 below for regional prospect location map.

### **Airborne Magnetic Survey**

An airborne magnetic survey over the entire COW commenced in January and finished in March 2011. The airborne survey had a particular emphasis on **known porphyry copper gold style targets** such as; **Singalancar, Tambang Tinggi, Rura Balancing, Namilas, Siandon and Mandagang**. Interpretation results from the survey are expected in May 2011.

### **1.2 Definitive Feasibility Study ("DFS")**

The DFS has progressed well during the Quarter.

As previously reported the detailed metallurgical work program has confirmed that a standard CIL (Carbon in Leach) plant configuration is the preferred processing option.

DFS Engineering has been completed with the final costings for the Opex and Capex now being analysed and optimised.

As a direct result of the increased size of the new JORC compliant resource, additional work focused on the pit optimisation process as well as the mine scheduling process is currently being undertaken and the results shall be included in the final DFS.

The Company shall release the DFS results once all additional work is completed.

### **2.0 Malawi (Uranium) 100%**

No exploration activities were carried out during the Quarter.

### **3.0 India (Diamonds) 9%**

No progress has been made during the Quarter in resolving the legal status of the diamond tenements in India.

### **4.0 Corporate Activities**

The Company is pleased to advise that it has received firm commitments for 75 million fully paid ordinary shares ("shares") at \$0.20 per share to raise \$15 million before costs pursuant to the placement announced on 14 April 2011 and completion announcement on 15 April 2011.

The placement bookbuild was heavily oversubscribed and closed with strong demand from both existing and a number of new institutional and sophisticated investors. Placement shares are expected to be allotted and issued on Thursday, 28 April, the trading day after settlement. The new shares to be issued under the placement will rank equally with existing ordinary shares in Sihayo from their date of issue.

Yours faithfully,

**SIHAYO GOLD LIMITED**



**Paul Willis**

Chief Executive Officer  
21st April 2011

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#### **Competent Persons Statements**

**Sihayo Gold Limited:** The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Graham Petersen (BSc.Geol) who is a full time employee of PT Sorikmas Mining (75% owned subsidiary of Sihayo Gold Limited), and is a Member of the AusIMM. Mr Petersen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Petersen consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

**Runge Limited:** The information in this report that relates to Mineral Resources at Sihayo is based on information compiled by Mr Robert Williams BSc, a Member of the Australian Institute of Mining and Metallurgy, who is a full time employee of Runge Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Modelling:** The Sihayo deposit was estimated by Runge Limited using Ordinary Kriging grade interpolation, constrained by mineralisation envelopes prepared using a nominal 0.5g/t gold cut-off grade for the lower grade upper weathered zone, and 1.0g/t Au in the deeper higher grade zones. In all cases a minimum downhole intercept length of 2m was adopted. The block dimensions used in the model were 25m EW by 10m NS by 5m vertical with sub-cells of 6.25m by 2.5m by 1.25m. Statistical analysis of the deposit determined that no high grade cuts were required in the estimate. Grades were estimated using Ordinary Kriging. Bulk density was assigned in the model based upon the results of 853 bulk density determinations.

#### **Note**

All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Sihayo Gold Limited, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.

Table 1: Summary of gold intercepts (1 g/t Au and above) in SHDD458 to SHDD503

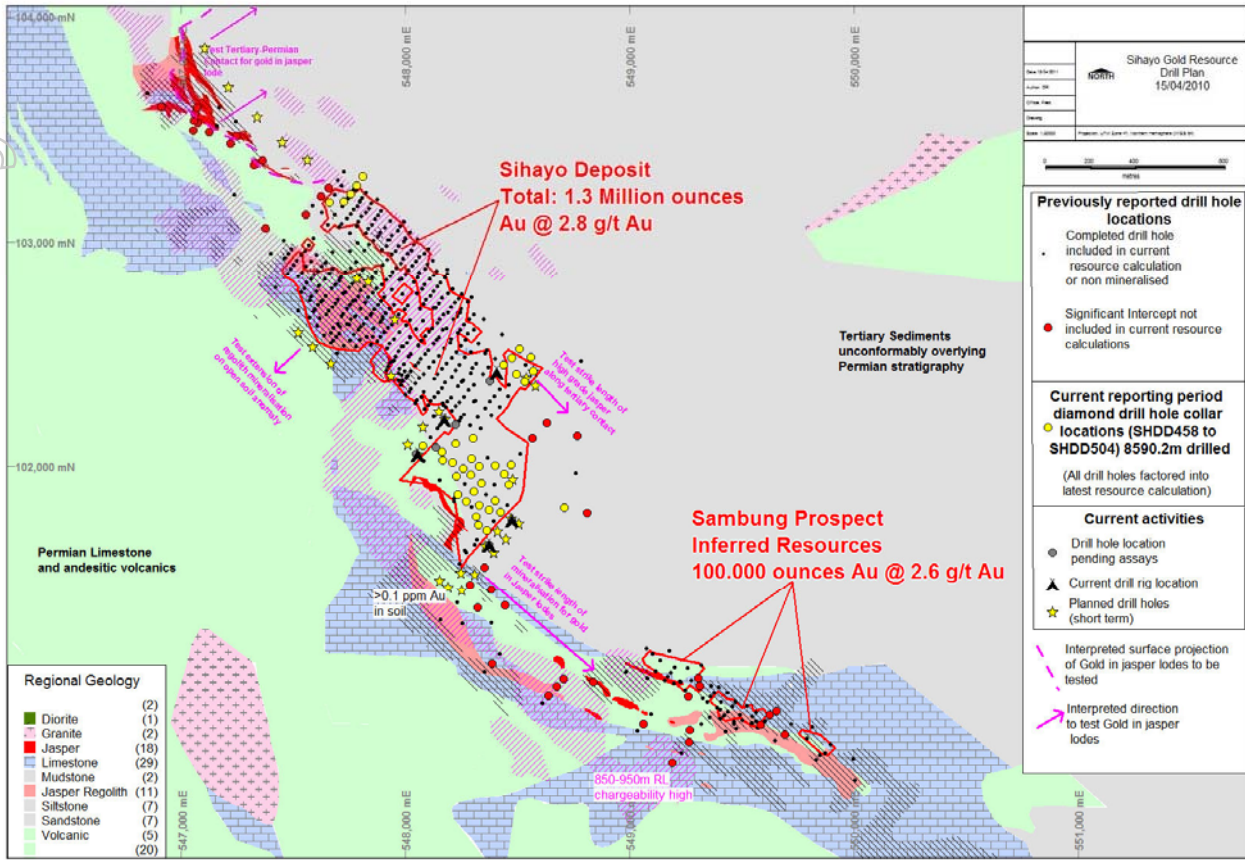
HOLE ID	EAST UTM	NORTH UTM	RL (m ASL)	AZI	DIP	MAX DEPTH	FROM	TO	INTERCEPT (M)	Au g/t
SHDD458	548079	102094	1166	0	-90	217.75	166	167	1	1.35
SHDD462	548441	101968	1177	0	-90	243.15	234	239	5	2.26
							228	229	1	1.16
SHDD463	547782	103254	1056	220	-60	166	134	135	1	1.4
							8	9	1	3.53
SHDD464	548163	102066	1135	0	-90	201.75	110	112	2	4.73
							121	124	3	2.42
							178	179	1	2.04
SHDD465	548493	102411	1184	0	-90	203.15	171	181	10	3.76
SHDD466	547756	103214	1066	220	-60	134	8	11	3	1.84
								21	5	1.73
								126	1	1.48
SHDD467	548470	102007	1188	0	-90	290	273	275	2	2.13
SHDD469	548167	102029	1131	0	-90	126.8	99	100	1	1
							107	112	5	1.39
							115	116	1	1.91
SHDD470	547724	103180	1079	220	-50	141	16	18	2	1.25
							103	105	2	3.12
SHDD471	548531	102378	1174	40	-90	243.65	183	195	12	7.35
SHDD472	548306	101891	1137	0	-90	152.3	90	97	7	1.78
							120	123.2	3.2	6.82
SHDD473	548296	102037	1172	40	-90	264.35	184	191	7	1.38
SHDD474	547660	103179	1100	220	-60	98.3	21	26	5	1.14
							52	53	1	1.2
SHDD475	548167	102029	1131	220	-60	172.75	82	90	8	1.2
							98	103	5	1.06
							109	114	5	2.4
SHDD476	548568	102425	1158	0	-90	206.15	173	175	2	3.88
SHDD477	548235	101877	1118	0	-90	98.3	47	63	16	2.54
SHDD479	548211	102018	1128	220	-55	142.5	86	87	1	1.4
							112	114	2	2.82
							93	98	5	2.28
SHDD480	548272	101845	1110	0	-90	101.3	37	40	3	2.46
							45	47	2	1.21
							53	61	8	1.67
SHDD482	548399	101847	1147	0	-90	195.55	124	125	1	2.41
							128	133	5	1.6
							147	148	1	1.7
							151	156	5	3.21
SHDD483	548271	101844	1110	220	-60	111.5	34	35	1	2.78
							39	41	2	1.52
							81	82	1	2.57
SHDD484	548211	102019	1128	40	-70	175.95	138	139	1	2.74
							145	158.9	13.9	4.2
							159.4	160.4	1	2.16
SHDD485	548290	101964	1141	0	-90	174.65	110	113	3	1.41

HOLE ID	EAST UTM	NORTH UTM	RL (m ASL)	AZI	DIP	MAX DEPTH	FROM	TO	INTERCEPT (M)	Au g/t
							116	119	3	1.19
							122	129	7	1.91
SHDD486	548473	102483	1189	0	-90	181.45	154	155	1	6.04
SHDD487	548328	101828	1118	0	-90	110.3	54	56	2	2.97
							62	72	10	3.36
SHDD488	548373	101809	1124	0	-90	165.65	88	93	5	1.56
SHDD489	548228	101956	1126	0	-90	143.3	96	100	4	1.32
							70	75	5	4.6
							85	87	2	1.64
							90	91	1	1.27
SHDD490	548300	102128	1177	220	-75	235.65	192	212.65	20.65	2.46
SHDD491	548343	101767	1104	0	-90	123.25	46	63	17	2.6
SHDD492	548399	102006	1175	220	-75	241.95	203	217	14	3.99
SHDD493	548228	101956	1126	220	-55	112.8	66	68	2	3
							71	72.7	1.7	1.44
							82	90	8	1.31
SHDD494	548300	102128	1177	0	-90	237.5	208	216.7	8.7	4.93
							219	220.35	1.35	1.66
							224	225	1	1
							228	231	3	1.85
SHDD495	548422	101799	1132	0	-90	160.6	118	123	5	1.93
SHDD495	548422	101799	1132	0	-90	160.6	126	144	18	6.48
SHDD496	548256	101992	1139	220	-70	159.35	113	114	1	1.39
							119	121	2	1.33
							95	97	2	1.45
SHDD497	548437	102453	1188	0	-90	308.95	152	155	3	3.03
							158	159	1	1.72
							201	202	1	1.78
							139	145	6	5.2
SHDD498	548399	102006	1175	0	-90	243.65	226.45	233	6.55	3.65
SHDD499	548324	101740	1120	220	-60	100.5	59	60	1	1.65
SHDD500	548256	101992	1139	0	-90	164.15	104	113	9	2.18
							121	133	12	1.52
							136	138	2	1.51
SHDD502	548325	101740	1120	220	-90	100.7	45	50	5	1.73
							70	73	3	2.33
							77	78	1	1.48
SHDD503	548460	101920	1156	0	-90	235.65	208	211	3	1.22

**Notes**

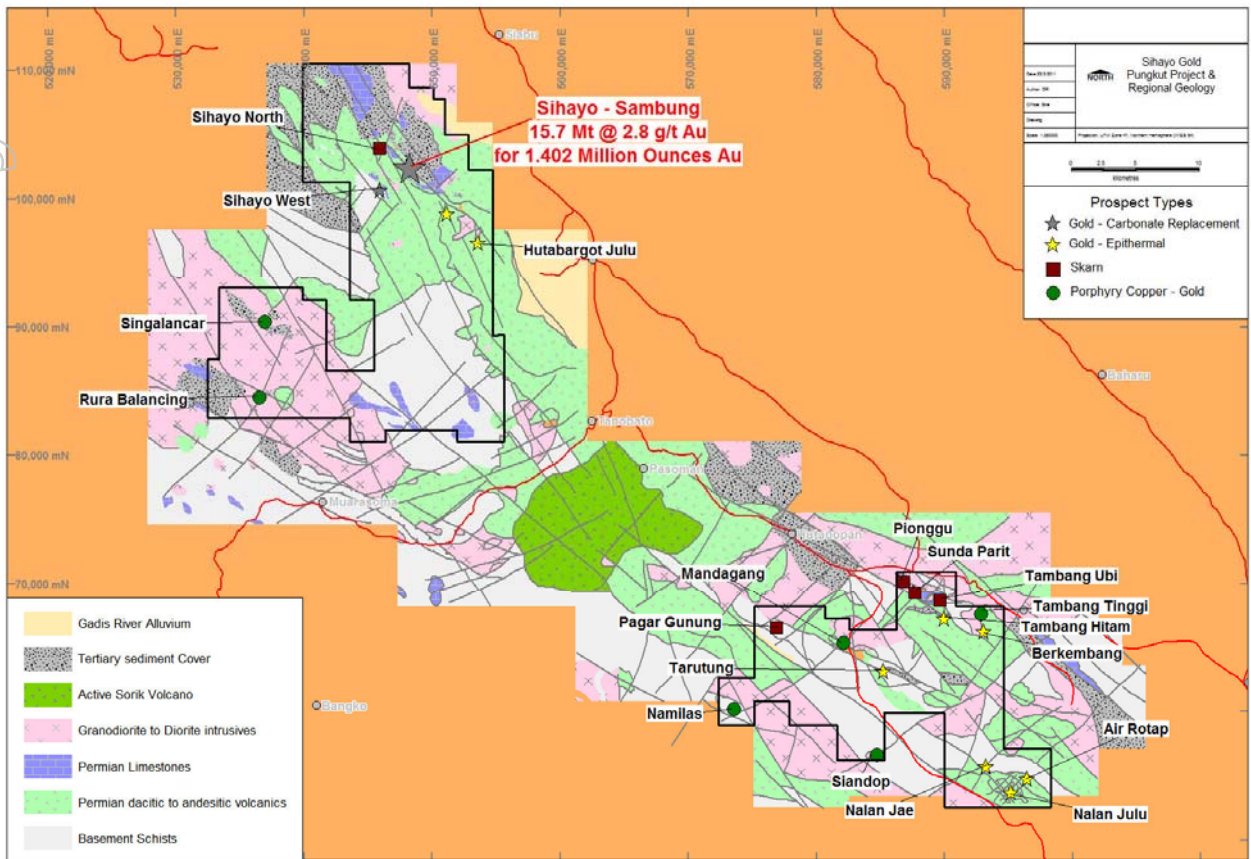
1. All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 1.0ppm Au used
3. A maximum of 2m of consecutive internal waste (material less than 1.0ppm Au) per reported intersection
4. All interval grades were calculated as a weighted average
5. All intervals reported as down hole lengths
6. Sampling regime as quarter core for PQ and half core for NQ and HQ diameter core
7. Quality Assurance and Quality Control (QAQC):
8. Coordinates in UTM grid system

Figure 1: Sihayo and Sambung Resource outline, potential resource extension areas and short term drill hole locations



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Figure 2: Regional exploration prospects across the Contract of Work ("COW") area



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## Appendix 5B

### Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Sihayo Gold Limited

ABN

77 009 241 374

Quarter ended ("current quarter")

31 March 2011

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(4,209)	(10,954)
1.3 Dividends received	(211)	(1,135)
1.4 Interest and other items of a similar nature received	25	42
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(4,395)</b>	<b>(12,047)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(165)	(485)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>(165)</b>	<b>(485)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(4,560)</b>	<b>(12,533)</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(4,560)	(12,533)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	2,891	14,229
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (cost of share issue)	(5)	(306)
	<b>Net financing cash flows</b>	<b>2,886</b>	<b>13,923</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,674)</b>	<b>1,390</b>
1.20	Cash at beginning of quarter/year to date	4,043	1,400
1.21	Exchange rate adjustments to item 1.20	164	(257)
1.22	<b>Cash at end of quarter</b>	<b>2,533</b>	<b>2,533</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	114
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NOT APPLICABLE

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NOT APPLICABLE

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

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	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,600
4.2 Development	
4.3 Production	
4.4 Administration	300
<b>Total</b>	<b>3,900</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,489	3,999
5.2 Deposits at call	44	44
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,533</b>	<b>4,043</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	615,186,646	615,186,646		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	307,692 200,000 11,617,886 1,662,490 700,000		\$0.05 \$0.15 \$0.20 \$0.20 \$0.15	\$0.05 \$0.15 \$0.20 \$0.20 \$0.15
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

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**Appendix 5B**  
**Mining exploration entity quarterly report**

7.7	<b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
		7,600,000		\$0.15	31/05/2013
		7,320,654		\$0.05	31/08/2011
		3,750,000		\$0.05	26/08/2011
		2,000,000		\$0.075	30/06/2012
		2,000,000		\$0.10	30/06/2013
		2,000,000		\$0.10	30/06/2012
		2,000,000		\$0.125	30/06/2013
		3,000,000		\$0.10	31/05/2012
		1,500,000		\$0.135	31/07/2012
		1,500,000		\$0.15	31/07/2013
		3,000,000		\$0.25	31/12/2012
7.8	Issued during quarter	3,000,000		\$0.25	31/12/2012
7.9	Exercised during quarter	13,280,376 900,000 307,692		\$0.20 \$0.15 \$0.05	31/01/2011 31/05/2013 31/08/2011
7.10	Expired during quarter	Nil			
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

  
 ..... Date: 21 April 2011  
 (Director)

Print name: PAUL WILLIS

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## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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